THE NATIONAL ARCHIVES
LITTERA SCRIPTA MANET
FEDERAL REGISTER
OF THE UNITED STATES 1934

VOLUME 2 NUMBER 224

Washington, Thursday, November 18, 1937

PRESIDENT OF THE UNITED STATES.

PAN AMERICAN EXPOSITION, TAMPA, FLORIDA, 1939

By the President of the United States of America

A PROCLAMATION

WHEREAS there is to be held at Tampa, Florida, during the year 1939, an international exposition which has for its purpose the commemoration of the four-hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, and which because of its international character will contribute to cordial relations among nations; and

WHEREAS a joint resolution of Congress, approved August 26, 1937 (50 Stat. 831), reads in part as follows:

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be, and he is hereby, authorized and respectfully requested by proclamation, or in such manner as he may deem proper, to invite foreign countries to an exposition to be held in Tampa, Florida, to be known as the 'Pan American Exposition', in commemoration of the four-hundredth anniversary of the landing of Hernando De Soto in Tampa Bay, under the auspices and on the grounds of the Florida Fair and Gasparilla Association, Incorporated, in the year 1939, with a request that they participate therein.";

AND WHEREAS I believe the people of many nations would be pleased to unite with the people of the United States in participating in this exposition, to be known as the Pan American Exposition:

NOW, THEREFORE, I, FRANKLIN D. ROOSEVELT, President of the United States of America, in compliance with the aforesaid joint resolution of Congress, do invite the participation of the countries of the Americas in this Exposition.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this 15'' day of November in the year of our Lord nineteen hundred and [SEAL] thirty-seven, and of the Independence of the United States of America the one hundred and sixty second.

FRANKLIN D ROOSEVELT

By the President:
CORDELL HULL
Secretary of State.

[No. 2261]

[F. R. Doc. 37-3348; Filed, November 17, 1937; 11:41 a.m.]

EXECUTIVE ORDER

REVOCATION OF EXECUTIVE ORDER NO. 6752 OF JUNE 28, 1934, AMENDING SUBDIVISION XVIII OF SCHEDULE A OF THE CIVIL SERVICE RULES

By virtue of and pursuant to the authority vested in me by the Civil Service Act (22 Stat. 403), it is ordered that Executive Order No. 6752 of June 28, 1934, amending Subdivision XVIII of Schedule A of the Civil Service Rules by adding thereto the following paragraph: "13. Positions in the National Soldiers' Home at Johnson City, Tennessee", be and it is hereby revoked, effective January 1, 1938.

With the exception of the incumbents of positions ordinarily excepted under paragraphs 11 and 12, Subdivision XVIII of Schedule A of the Civil Service Rules, those employees appointed to positions at the Veterans' Administration Facility, Mountain Home, (National Soldiers' Home, Johnson City) Tennessee, subsequent to June 28, 1934, who do not have a civil-service status, may acquire such status in accordance with the provisions of section 6 of Civil Service Rule II as amended by Executive Order No. 7408 of July 6, 1936.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
November 15, 1937.

[No. 7739]

[F. R. Doc. 37-3338; Filed, November 16, 1937; 1:40 p. m.]

EXECUTIVE ORDER

WITHDRAWAL OF PUBLIC LAND FOR USE OF THE WAR DEPARTMENT FOR MILITARY PURPOSES

California

By virtue of and pursuant to the authority vested in me by the act of June 25, 1910, ch. 421, 36 Stat. 847, as amended by the act of August 24, 1912, ch. 369, 37 Stat. 497, it is ordered as follows:

SECTION 1. Executive Order No. 6910 of November 26, 1934, as amended, temporarily withdrawing all public lands in certain states for classification and other purposes, is hereby revoked in so far as it affects the following-described tract of land in California:

SAN BERNARDINO MERIDIAN

T. 10 N., R. 9 W., sec. 32, E½W½ and E½, 480 acres.

SECTION 2. Subject to the conditions expressed in the above-mentioned acts and to all valid existing rights, the

FEDERAL REGISTER

Published by the Division of the Federal Register, The National Archives, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. L. 500), under regulations prescribed by the Administrative Committee, with the approval of the President.

The Administrative Committee consists of the Archivist or Acting Archivist, an officer of the Department of Justice designated by the Attorney General, and the Public Printer or Acting Public Printer.

The daily issue of the FEDERAL REGISTER will be furnished by mail to subscribers, free of postage, for $1 per month or $10 per year; single copies 5 cents; payable in advance. Remit by money order payable to Superintendent of Documents, Government Printing Office, Washington, D. C.

Correspondence concerning the publication of the FEDERAL REGISTER should be addressed to the Director, Division of the Federal Register, The National Archives, Washington, D. C.

TABLE OF CONTENTS

TABLE OF CONTENTS—Continued

tract of land described in section 1 of this order is hereby temporarily withdrawn from settlement, location, sale, or entry and reserved for use of the War Department for military purposes.

SECTION 3. The reservation made by section 2 of this order shall remain in force until revoked by the President or by act of Congress.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
November 15, 1937

[No. 7740]

[F. R. Doc. 37-3339; Filed, November 16, 1937; 1:40 p. m.]

EXECUTIVE ORDER

RESERVOIR SITE RESTORATION NO. 17; PARTIAL REVOCATION OF EXECUTIVE ORDER OF JUNE 8, 1926, CREATING RESERVOIR SITE RESERVE NO. 17

California

By virtue of and pursuant to the authority vested in me by the act of June 25, 1910, 36 Stat. 847, as amended by the act of August 24, 1912, 37 Stat. 497, the Executive Order of June 8, 1926, creating Reservoir Site Reserve No. 17, is hereby revoked as to the following-described lands:

MOUNT DIABLO MERIDIAN

T. 12 S., R. 24 E.,
sec. 1, lots 1, 2, 3, and 4;
sec. 12, E½SE¼;
sec. 13, E½E½;
sec. 24, N½SW¼, and NW¼SE¼.
T. 13 S., R. 24 E.,
sec. 1, lots 1 and 7.
T. 11 S., R. 25 E.,
sec. 31, NE¼SW¼, NE¼NW¼SW¼, factional W½NW¼SW¼, fractional W½SW¼SW¼, SE¼SW¼SW¼, N½SE¼SE¼, and SE¼SE¼SE¼;
sec. 32, SW¼SW¼;
sec. 33, SE¼.
T. 12 S., R. 25 E.,
sec. 4, NE¼;
sec. 5, lot 3, lot 4 except SW¼, SE¼NE¼;
sec. 6, fractional NE¼ of lot 1, S½ of lot 2, lot 3, S½NE¼, and E½SE¼;
sec. 19, lots 1, 2, and 3, NE¼SW¼;
sec. 24, N½SE¼;
sec. 28, SE¼NW¼, N½NE¼SW¼, and SE¼SW¼;
sec. 29, SW¼SE¼;
sec. 31, lot 2, SW¼NE¼, and SE¼NW¼;
sec. 32, NW¼NE¼.

FRANKLIN D ROOSEVELT

THE WHITE HOUSE,
November 15, 1937.

[No. 7741]

[F. R. Doc. 37-3340; Filed, November 16, 1937; 1:41 p. m.]

TREASURY DEPARTMENT.

Bureau of Customs.

[T. D. 49249]

CUSTOMS REGULATIONS AMENDED—ADMINISTRATION OF OATHS BY CUSTOMS PATROL INSPECTORS

To District Patrol Superintendents and Others Concerned:

Pursuant to the authority conferred by sections 486 (a) and 624 of the Tariff Act of 1930 (U. S. C., title 19, secs.

1486 (a) and 1624) and T. D. 49047, article 1380 of the Customs Regulations of 1937[1] is hereby amended by inserting the letter "(a)" before the word "Such" in line one thereof and by adding a new paragraph, designated "(b)," reading as follows:

(*b*) Customs patrol inspectors are hereby designated to administer any oaths required or authorized by law or regulations promulgated thereunder in respect of any matter coming before them in the performance of their official duties.

[SEAL] JAMES H. MOYLE,
Commissioner of Customs.

Approved, November 11, 1937.

STEPHEN B. GIBBONS,
Acting Secretary of the Treasury.

[F. R. Doc. 37-3341; Filed, November 16, 1937; 4:03 p. m.]

[T. D. 49250]

CUSTOMS REGULATIONS AMENDED—PORTS OF DOCUMENTATION

CUSTOMS PORT OF CORDOVA, ALASKA, DESIGNATED AS PORT OF DOCUMENTATION; DESIGNATION OF CUSTOMS PORT OF SEWARD, ALASKA, AS PORT OF DOCUMENTATION REVOKED

To Collectors of Customs and Others Concerned:

The Department of Commerce has designated the customs port of Cordova, Alaska, as a port of documentation, effective November 15, 1937.

The designation of the customs port of Seward, Alaska, as a port of documentation has been revoked by the Department of Commerce, effective the same date.

The port of Cordova will, therefore, be the home port of all vessels permanently documented at Seward, effective November 15, 1937. In the event that the owners of vessels desire that a port other than Cordova be designated as the home port of their vessels, the approval of the Director, Bureau of Marine Inspection and Navigation, Department of Commerce, should be obtained.

Article 3, Customs Regulations of 1937, page 2,[2] is hereby amended by the insertion of an asterisk preceding the name of the port "Cordova" in Customs Collection District No. 31 (Alaska), and the deletion of the asterisk preceding the name of the port "Seward" in that district, effective November 15, 1937.

[SEAL] JAMES H. MOYLE,
Commissioner of Customs.

Approved, November 12, 1937.

STEPHEN B. GIBBONS,
Acting Secretary of the Treasury.

[F. R. Doc. 37-3337; Filed, November 16, 1937; 1:30 p. m.]

[T. D. 49252]

ENTRY OF ARTICLES FOR EXHIBITION AT THE INTERNATIONAL PETROLEUM EXPOSITION AT TULSA, OKLAHOMA, TO BE HELD MAY 14 TO MAY 21, 1938

NOVEMBER 12, 1937.

To Collectors of Customs and others concerned:

Attention is invited to the provisions of Public Resolution No. 337 of the Seventy-fifth Congress, approved August 21, 1937, which read as follows:

That the President of the United States is authorized to invite by proclamation, or in such other manner as he may deem proper, the States of the Union and all foreign countries to participate in the proposed International Petroleum Exposition, to be held at Tulsa, Oklahoma, from May 14, 1938, to May 21, 1938, inclusive, for the purpose of exhibiting samples of fabricated and raw products of all countries used in the petroleum industry and bringing together buyers and sellers for promotion of trade and commerce in such products.

Sec. 2. All articles which shall be imported from foreign countries for the purpose of exhibition at the International Petroleum Exposition, or for use in constructing, installing, or maintaining foreign buildings or exhibits at the said exposition, upon which articles there shall be a tariff or customs duty, shall be admitted without payment of such tariff, customs duty, fees, or charges under such regulations as the Secretary of the Treasury shall prescribe; but it shall be lawful at any time during or within three months after the close of the said exposition to sell within the area of the exposition any articles provided for herein subject to such regulations for the security of the revenue and for the collection of import duties as the Secretary of the Treasury may prescribe: Provided, That all such articles, when withdrawn for consumption or use in the United States, shall be subject to the duties, if any, imposed upon such articles by the revenue laws in force at the date of their withdrawal; and on such articles, which shall have suffered diminution or deterioration from incidental handling or exposure, the duties, if payable, shall be assessed according to the appraised value at the time of withdrawal from entry hereunder for consumption or entry under the general tariff law: Provided further, That imported articles provided for herein shall not be subject to any marking requirements of the general tariff laws, except when such articles are withdrawn for consumption or use in the United States, in which case they shall not be released from customs custody until properly marked, but no additional duty shall be assessed because such articles were not sufficiently marked when imported into the United States: Provided further, That at any time during or within three months after the close of the exposition, any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, whereupon any duties on such article shall be remitted: Provided further, That articles which have been admitted without payment of duty for exhibition under any tariff law, and which have remained in continuous customs custody or under a customs exhibition bond, and imported articles in bonded warehouses under the general tariff law may be accorded the privilege of transfer to and entry for exhibition at the said exposition under such regulations as the Secretary of the Treasury shall prescribe: And provided further, That the International Petroleum Exposition shall be deemed, for customs purposes only, to be the sole consignee of all merchandise imported under the provisions of this Act, and that the actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody, together with the necessary charges for salaries of customs officers and employees in connection with the supervision, custody of, and accounting for, articles imported under the provisions of this Act, shall be reimbursed by the International Petroleum Exposition to the Government of the United States under regulations to be prescribed by the Secretary of the Treasury, and that receipts from such reimbursements shall be deposited as refunds to the appropriation from which paid, in the manner provided for in section 524, Tariff Act of 1930.

Sec. 3. That the Government of the United States is not by this Act obligated to any expense in connection with the holding of such exposition and is not hereafter to be obligated other than for suitable representation thereat.

(1) All packages containing imported merchandise to be entered under the provisions of the public resolution shall be plainly marked "International Petroleum Exposition" and with the name of the country of origin and shall bear separate serial numbers.

(2) All importations of articles of a class requiring a consular invoice, intended for exhibition under the provisions of the public resolution and valued at more than $100, must be covered by consular invoices certified as provided in article 276 of the Customs Regulations of 1937. Such invoices shall contain the information prescribed under section 481 of the Tariff Act of 1930 (U. S. C., title 19, sec. 1481) and shall show that the articles covered thereby are destined to the port of Tulsa, Oklahoma, and are intended for exhibition or use at the International Petroleum Exposition, Tulsa, Oklahoma.

(3) The International Petroleum Exposition shall give to the deputy collector of customs at Tulsa, Oklahoma, such security for compliance with the public resolution and these regulations as may be approved by the Commissioner of Customs.

(4) The collector of customs at St. Louis, Missouri, shall detail an officer to act as his representative at the International Petroleum Exposition and shall station inside the exhibition buildings as many additional customs officers and employees as may be necessary to properly protect the revenue.

(5) All actual and necessary customs charges for labor, services, and other expenses in connection with the entry, examination, appraisement, release, or custody of imported articles, together with the necessary charges for salaries

[1] 2 F. R. 2034 (DI).
[2] 2 F. R. 1731 (DI).

of customs officers and employees in connection with the supervision and custody of, and accounting for, articles imported for exhibition at the International Petroleum Exposition or transferred thereto for exhibition, shall be reimbursed by the International Petroleum Exposition to the Government, payment to be made monthly to the deputy collector of customs, Tulsa, Oklahoma, for deposit to the credit of the Treasurer of the United States as a refund to the appropriation "Collecting the revenue from customs."

(6) Articles to be entered under these regulations which arrive at ports other than Tulsa shall be entered for immediate transportation without appraisement to the latter port in the manner provided by the general customs regulations.

(7) Articles which have been admitted without payment of duty for exhibition under any tariff law and which have remained in continuous customs custody or under a customs exhibition bond may be transferred to entry for exhibition at the International Petroleum Exposition in the manner prescribed in article 453 (c) of the Customs Regulations of 1937, except that in each case an entry under paragraph (8) of these regulations shall be filed, which shall supersede any previous entry, and no new bond other than that specified in paragraph (3) shall be required. Imported articles in bonded warehouses under the general tariff law may be transferred to entry for exhibition at the International Petroleum Exposition in the manner prescribed in article 323 of the Customs Regulations of 1937.

(8) Upon the arrival at the port of Tulsa of articles to be entered under these regulations the same should be entered on a special form of entry to read substantially as follows:

ENTRY FOR EXHIBITION

ENTRY NO.

Entry at the port of Tulsa of articles consigned or transferred to the International Petroleum Exposition under _____ I. T. No. _____ ex SS _____ from _____ on the _____ day of _____, 193__, for exhibition purposes under Public Resolution No. 337 of the Seventy-fifth Congress, approved August 21, 1937.

Mark	Number	Package and contents	Quantity	Invoice	Value

INTERNATIONAL PETROLEUM EXPOSITION.
By _____

(9) Upon such entry being made, the deputy collector shall issue a special permit for the transfer of the articles covered thereby to the buildings in which they are to be exhibited or used, or, in the discretion of the deputy collector, to the appraiser's stores for examination and subsequent transfer to the buildings in which they are to be exhibited or used. Upon the receipt of the articles at such buildings or at the appraiser's stores, the same shall be given a tentative appraisal prior to their exhibition or use. All imported exhibits so received in such buildings shall be kept segregated from domestic articles and imported duty-paid articles and shall not be removed from the exhibition building except in accordance with paragraph (11) of these regulations.

(10) If for any reason articles imported for entry under these regulations are not upon their arrival to be delivered immediately at an exhibition building, the importer should so indicate to the deputy collector in writing, who will cause such articles to be placed in a bonded warehouse under a "general order permit" at the importer's risk and expense, and such articles may be entered at any time within one year from the date of importation for exhibition, as herein provided, or under the general tariff law, or for exportation. If not so entered within such period they will be regarded as abandoned to the Government.

(11) Any articles entered under these regulations may be withdrawn for exportation, for abandonment to the Government, destruction under customs supervision, or for consumption or entry under the general tariff law, but not otherwise, at any time during or within three months after the close of the exposition. Upon the withdrawal of such articles for consumption or for entry under the general tariff law, or at the expiration of three months after the close of the exposition in the case of articles not previously so withdrawn, they shall be appraised with due allowance made for diminution or deterioration from incidental handling or exposure. Such appraisal shall be final in the absence of an appeal to reappraisement, as provided in section 501 of the Tariff Act of 1930 (U. S. C., title 19, sec. 1501). In the case of such articles withdrawn for entry under the general tariff law under a warehouse bond or a bond conditioned upon exportation, the statutory period of the bond and any extension thereof shall be computed from the date of withdrawal.

(12) At any time during or within three months after the close of the exposition, any article entered hereunder may be abandoned to the Government or destroyed under customs supervision, as provided in article 808 of the Customs Regulations of 1937.

(13) Any articles entered under these regulations which have not been withdrawn for consumption, entry under the general tariff law, or exportation, or which have not been abandoned to the Government or destroyed under customs supervision, before the expiration of three months after the close of the exposition, shall be regarded as abandoned to the Government.

(14) All entries under these regulations shall be made in the name of the International Petroleum Exposition, which shall be deemed for customs purposes the sole consignee of the merchandise entered under the act and which shall be held responsible to the Government for all duties and charges due the United States on account of such entries; but, in the case of merchandise withdrawn from entry under these regulations, an entry under the general tariff law, in the name of any person duly authorized in writing by the International Petroleum Exposition to make such entry, may be accepted by the deputy collector, and the bond of the International Petroleum Exposition shall thereafter be considered as collateral security for any duties and charges accruing on the merchandise covered by any such entry, unless the entry is for permanent exhibition, in which case the liability of the International Petroleum Exposition under its bond with respect to the articles covered by such entry, shall be terminated when the security required by the general tariff law has been given.

(15) The marking requirements of the Tariff Act of 1930 and the regulations promulgated thereunder will not apply to articles imported under these regulations except when such articles are withdrawn for consumption or use in the United States, in which case they shall be released from customs custody only upon a full compliance with the marking requirements of the tariff act and the regulations promulgated thereunder. No additional duty shall be assessed because such articles were not properly marked when imported into the United States.

[SEAL] STEPHEN B. GIBBONS,
Acting Secretary of the Treasury.

[F. R. Doc. 37-3342; Filed, November 16, 1937; 4:03 p. m.]

DEPARTMENT OF THE INTERIOR.

Division of Grazing.

GRAZING DISTRICT NOTICE

NEVADA

NOVEMBER 12, 1937.

Pursuant to the provisions of the act of June 28, 1934 (48 Stat. 1269), as amended by the act of June 26, 1936 (49 Stat. 1976), notice is hereby given that a hearing will be

held in Caliente, Nevada, at 10 a. m. on December 13, 1937, and on any subsequent date or dates to which the said hearing may be adjourned, by the Department of the Interior, for the purpose of considering the establishing of a grazing district to include the following:

NEVADA

Mount Diablo Meridian

Public lands in Lincoln County exclusive of established grazing districts and national forests

This hearing will be open to the attendance of State officials and settlers, residents, and livestock owners of the vicinity where the establishment of such grazing district is proposed.

The publication of this notice has the effect, in accordance with the provisions of the aforesaid act, of withdrawing the above-described lands from all forms of entry and settlement.

CHARLES WEST,
Acting Secretary of the Interior.

[F. R. Doc. 37-3345; Filed, November 17, 1937; 9:42 a. m.]

National Bituminous Coal Commission.

Docket No. 18-FD

INVESTIGATION OF THE NATURE AND EXTENT OF INTRASTATE COMMERCE IN BITUMINOUS COAL IN THE STATE OF OHIO AND ITS EFFECT UPON INTERSTATE COMMERCE IN SUCH COAL

REPORT, FINDINGS AND CONCLUSIONS OF THE COMMISSION

The National Bituminous Coal Commission on the 14th day of July, 1937, made and entered of record its Order No. 13 which was thereafter amended by Orders No. 13-a and No. 27,[1] authorizing and directing that an investigation and hearing be conducted under and by virtue of the provisions of Section 4-A of the Bituminous Coal Act of 1937, for the purposes of determining whether transactions in intrastate commerce in bituminous coal in the various localities within the State of Ohio, directly affect interstate commerce in bituminous coal or cause or will cause any undue or unreasonable advantage, preference or prejudice in such commerce on the one hand, and interstate commerce in bituminous coal on the other hand;

In said order a trial examiner of the Commission was designated, authorized and directed to preside at said hearing and to receive evidence adduced by interested parties; to cause the same to be preserved of record and to make findings of fact therefrom; to report his proceedings in that behalf together with a record of all testimony and exhibits, and all record and documentary evidence, and his findings of fact and recommendations for an appropriate order in the premises;

Due and reasonable public notice of the time and place of said hearing was given by publication of said order in a newspaper of general circulation in each county within the State of Ohio in which bituminous coal is produced, and in the FEDERAL REGISTER, Washington, D. C., and by mailing in the United States Mail to each producer of bituminous coal within said State known to the Commission, a true copy of said order fixing the time, place and purposes of said hearing;

An investigation was duly and lawfully conducted at the time and place prescribed in said order, and pursuant to the provisions of the Bituminous Coal Act of 1937, and at said hearing large numbers of producers and distributors of bituminous coal appeared and asked to be heard, and were heard, and ample opportunity was afforded to all interested parties to be heard, and a full and complete hearing was had and said Trial Examiner has duly filed his report as directed. The Commission has duly considered said report and the record of the proceedings and now makes its findings and conclusions. The report and findings herein differ somewhat from those recommended by the Examiner.

From the evidence contained in said record, the Commission finds:

1. That there are eleven principal coal producing areas within the State of Ohio located in the eastern one-fourth of the State, namely, Jackson, Pomeroy, Hocking, Shawnee, Crooksville, Cambridge, Middle, Pittsburg No. 8, Amsterdam-Bergholz, Massillon and Leetonia-Lisbon.

2. That during the years of 1929 and 1934 to 1936 inclusive, there was a total of 88,861,334 tons of bituminous coal produced in Ohio.

3. That of the production of bituminous coal in Ohio during said years aforesaid, approximately 46,017,736 tons were consumed within the State of Ohio, which is approximately one-half of the total production.

4. That during the year 1936 the production of bituminous coal in Ohio amounted to 23,327,450 tons, of which Ohio consumed 12,730,011 tons; approximately 10,597,449 tons of Ohio's production in bitominous coal was shipped in interstate commerce or sold as railroad and steamship fuel.

5. That the State of Ohio is a large potential producer of bituminous coal; that during the year 1935 there was produced by mines within the State of Ohio, 21,153,000 tons of coal on an average working time of 162 days, however, mines within the State of Ohio in the past produced as much as 40,546,000 tons annually; that during none of the years from 1929 to date have the mines within the State of Ohio produced as much coal as has been consumed within the State of Ohio; that more than one-half of the coal consumed within the State of Ohio comes from interstate sources, however, there are large coal resources in Ohio and many inactive mines that are potential producers.

6. That the State of Ohio is one of the largest consumers of bituminous coal; that during the predepression year of 1929, the State of Ohio consumed a total of 49,055,000 tons exclusive of the tonnage consumed by railroads and steamships.

7. That during the year 1929 the State of Ohio consumed a total of 25,365,523 tons more than was produced within the State.

8. That tonnage of interstate shipments of bituminous coal consumed within the State of Ohio during the year 1929 was 38,627,585 tons, which was 79.8 per cent of the total consumption of coal within the State; that in 1936 Ohio consumed 26,815,000 tons of bituminous coal from interstate sources, or 67.8% of the total consumption, a relative decrease of 12% of interstate coal.

9. That there are three broad classes of use for bituminous coal used in Ohio—industrial fuel, railroad fuel and domestic fuel; that neither Ohio coals nor coals from interstate sources dominate the Ohio market for any one of these classes of use; that for one or more of these uses, all coals shipped interstate into Ohio are of such a similar character to that produced in Ohio, that they are competitive and the demand for coal in Ohio markets shows that the volume of heat derived from coal is ordinarily the principal consideration upon which the consumer bases his selection of coal, but, however, in both the commercial and domestic markets, price is the determining factor when there is sufficient price differential to yield a material saving in cost.

10. That the production and consumption of bituminous coal within the State of Ohio has fluctuated from year to year, marketing conditions and prices have been unstable and the industry unprofitable and during none of the years from 1929 to date have producers in Ohio produced more than 36 per cent of the total amount of bituminous coal consumed within the State.

11. That heavy shipments of interstate bituminous coal pass through the heart of Ohio producing fields into the large consuming marketing areas in Ohio; that six industrial counties consumed 56.9 per cent of the total bituminous coal consumed for industrial purposes within the State of Ohio in 1929; that during the depression years immediately

[1] 2 F. R. 1463, 1573, 1574 (DI).

following there was a 20 per cent decrease from the peak of 1929; that since such decrease Ohio's consumption of bituminous coal has been increasing; that the largest proportion of coal from interstate sources shipped into Ohio is transported by rail, although a substantial tonnage comes into Ohio markets by barge and truck; that the interstate rail coal moving into Ohio markets is subject to a substantial freight differential; but freight tariffs are published covering rail transportation from interstate and intrastate producing fields to substantially all rail destinations within the State of Ohio.

12. That transportation charges have been an important factor in determining the price and movement of bituminous coal; that in the investigations of the Interstate Commerce Commission it has been found that there is keen and active competition between interstate coals and Ohio coals at rail destinations in Ohio and it was further found that certain intrastate rates on bituminous coal to Ohio destinations had resulted in preferences to Ohio shippers in intrastate commerce and unjust discrimination against interstate commerce, as shown in, Ohio-Michigan Coal Case, Docket No. 12698, 80 I. C. C. 663; In the Matter of Intrastate Rates on Bituminous Coal Within the State of Ohio, Docket No. 12851, 80 I. C. C. 687; Intrastate Rates on Bituminous Coal Within the State of Ohio, Docket No. 25566, 192 I. C. C. 413; Surcharge on Bituminous Coal Within the State of Ohio, Docket No. 25885, 192 I. C. C. 734. Certified copies of the Interstate Commerce Commission's findings of fact and decisions were introduced as exhibits in this proceeding.

13. That a large number of representative cities and towns throughout the State of Ohio, numbering over 1,000, received shipments by rail of bituminous coal from both intrastate and interstate origins in 1936; that there is keen and active competition of intrastate commerce in bituminous coal with interstate commerce in bituminous coal in substantially all coal markets in the State; that the evidence of production and distribution presented concerning previous years establishes the fact that the distribution of coal in intrastate transactions and interstate shipments by rail in Ohio, follow generally the conditions prevailing in Ohio in 1936; that, in addition, there are substantial shipments of intrastate and interstate bituminous coals moving by trucks into Ohio market areas; and that this coal engages in keen and active competition with interstate and intrastate rail coal.

14. That a group of twenty-three Class I carriers and their subsidiaries are in a position as a group to purchase and do purchase railroad fuel from Ohio mines and railroad fuel from coal fields in six nearby states; that all of such fields including those in Ohio produce coal, which for railroad fuel purposes is comparable; that in 1929 approximately 8,000,000 tons of bituminous coal were purchased from Ohio mines and approximately 34,000,000 tons from coal fields in adjoining states by the same group of twenty-three Class I carriers; and that Ohio coal is in keen and active competition with coal from interstate origins in the railroad fuel market in Ohio; and that the railroad fuel market in Ohio has not changed materially since 1929.

15. That bituminous coal produced by the same Ohio mines is sold partly in Ohio markets and partly in markets in other states; that in Ohio markets such bituminous coal competes with interstate coal; that a number of producers own mines both in Ohio and in nearby states, and ship coal both intrastate and interstate into Ohio markets wherein the coal of such producers competes with other intrastate and interstate coals; and that transactions in bituminous coal in interstate and intrastate commerce in the State of Ohio are so interwoven and interrelated that they cannot be separated from each other and intrastate shipments have a direct effect upon the interstate shipments and one cannot be regulated apart from the other.

16. That there is active, keen and continuous competition of Ohio coals with interstate coals in the State of Ohio; that such competition has had and now has a direct effect upon the interstate shipments into Ohio markets; that generally, this competition has affected interstate coals by causing a loss of tonnage in Ohio markets; and this effect has resulted primarily from destructive competition based on prices and generally the quality of the coals has been disregarded when the differential in price became sufficiently wide.

17. That with very few exceptions producers do not store bituminous coal, as storage over any appreciable period results in substantial losses from spontaneous combustion, disintegration and deterioration; that instead, the producer loads directly from the mine tipple into railroad cars on his tracks; that the producer also produces several different sizes of coal and has little or no control over the relative proportions of the different sizes that come from his mine; that this is primarily dependent upon the physical character of the seam, hardness of the coal, cleavage and other factors that influence the yield. To illustrate this, one witness testified that to produce 1000 tons of egg coal, the producer would be required to produce 4000 tons of run of mine coal; that the demand for the several sizes varies with the state of business and the seasons; in times of industrial activity the demand for steam sizes, the screenings, tends to rise, and, in general, there is a tendency for a surplus of screenings to develop during the winter months and a surplus of larger sizes to develop during the summer. A surplus of screenings has at times caused such pressure on the market that to move such coal from the producer's railroad siding, the surplus sizes have been sold for a price far below the cost of production. This is done so that the producer may keep his tracks clear and continue to produce sizes of coal for which there is demand. We conclude:

1. That bituminous coal produced and consumed in the State of Ohio, and shipped to Ohio destinations, is in direct, keen, active and continuous competition with bituminous coal shipped to the same markets from interstate sources and transactions in bituminous coal in intrastate commerce between localities in Ohio directly affect and burden the flow of interstate commerce in bituminous coal from producing localities without the State of Ohio to consuming localities within the State of Ohio; that such situation will be further accentuated and accelerated by the fact that Ohio producers shipping bituminous coal in interstate commerce will obtain a realization on such interstate transactions under a regulated minimum price that will further enable such producers to maintain the unregulated prices in the Ohio markets at a level that will do much to prevent interstate shippers into Ohio, subject to regulated prices, from competing in the markets in Ohio.

2. That if all transactions in intrastate commerce in bituminous coal as between localities within the State of Ohio or any substantial part thereof, are exempt from regulation as to the minimum price at which such coal could be sold or disposed of by the producer, the interstate coal now being disposed of in Ohio markets would be diminished, if not entirely eliminated in such markets and thus cause an undue and unreasonable advantage, preference or prejudice as between localities in such intrastate commerce on the one hand and interstate commerce in bituminous coal on the other hand and an undue, unreasonable or unjust discrimination against interstate commerce in bituminous coal.

3. That there does not exist an opportunity for interstate commerce in coal to continue to freely flow into the consuming market areas within the State of Ohio and compete upon a fair basis; that coordination of prices in both interstate and intrastate commerce in bituminous coal is necessary and that such coordination cannot be effected except by adjustment of prices; that unless intrastate transactions in such coal are subjected to regulation, effect cannot be given to the minimum price structures and coordination of prices in common consuming marketing areas established and approved by the Commission, as provided by the Bituminous Coal Act of 1937; and that the Commission will be unable to effectively enforce the provisions of the Act.

4. That intrastate shipments in coal and interstate shipments in bituminous coal into markets in the State of Ohio are so inter-related and interwoven that one cannot be regulated apart from the other; and that interstate commerce

in coal cannot be protected unless both intrastate and interstate commerce in bituminous coal are regulated as provided by Section 4 of the Bituminous Coal Act of 1937.

5. That unless intrastate commerce in bituminous coal within the State of Ohio is subjected to regulation, the practice of dumping, which is always demoralizing to the trade, cannot be prevented; that lack of regulation will not only enable the Ohio producer to enjoy an unfair and discriminatory advantage over interstate shippers in disposing of coal within the State of Ohio, but also to enjoy an unfair and discriminatory advantage in disposing of his coal in interstate commerce in other states; and that in the absence of regulation such producer will be able to use the unregulated intrastate Ohio market as a dumping ground to dispose of his surplus sizes, and thereby keep his tracks clear and be in a better position to supply prepared sizes then in demand and to ship into the regulated interstate markets, at a great advantage over the regulated interstate shipper, not possessing an outlet, to dispose of his surplus sizes.

An appropriate order will be entered.

OPINION

Recognizing the vital importance of bituminous coal in the national economy, Congress by the enactment of the Bituminous Coal Act of 1937 provided for stabilization of that major natural resource industry.

The purposes of the Act are clearly set forth in the declaration, "That regulation of the sale and distribution in interstate commerce of bituminous coal is imperative for the protection of such commerce; that there exist practices and methods of distribution and marketing of such coal that waste the coal resources of the Nation and disorganize, burden, and obstruct interstate commerce in bituminous coal, with the result that regulation of the prices thereof and of unfair methods of competition therein is necessary to promote interstate commerce in bituminous coal and to remove burdens and obstructions therefrom."

To accomplish these objects the law provides for the banning of certain specific trade practices in the industry which have been found to be unfair and the establishment of minimum prices and proper marketing rules and regulations governing sales of coal by code number producers and by distributors. Such minimum prices and regulations are to be determined according to well defined standards which are set forth in detail in Section 4 of the Act and were duly promulgated by the Commission on June 21, 1937 as the Bituminous Coal Code.[1]

Section 4 of the Act provides, inter alia, "for the purpose of carrying out the declared policy of this Act, the Code shall contain the following conditions and provisions, which are intended to regulate interstate commerce in bituminous coal and which shall be applicable only to matters and transactions *in* or *directly affecting* interstate commerce in bituminous coal."

Having provided for regulation of commerce in coal among the several states, Congress recognized the incontrovertible fact that relationships between interstate and intrastate commerce are so intimate and direct that its interstate commerce could not be successfully dealt with if commerce in coal within individual states was permitted to continue unregulated.

Consequently there was invoked the Congressional power to regulate phases of intrastate commerce which has become clearly recognized under the doctrine of the Shreveport case, where Federal control was found essential in order to secure the freedom of interstate traffic from interference or unjust discrimination and to promote the efficiency of the interstate service, Houston, E. & W. T. R. Company versus United States 234 U. S. 342.

Accordingly Congress, by Section 4–A of the Act, vested authority in the Coal Commission to extend the applicability of the provisions of Section 4 to intrastate commerce in coal when carried on by any person or in any locality, in cases where the Commission, upon investigation and after hearing, finds transactions in intrastate commerce cause any undue or unreasonable advantage, preference or prejudice as between persons and localities in such commerce on the one hand and interstate commerce on the other hand, or any undue, unreasonable or unjust discrimination against interstate commerce in coal or in any manner directly affect such interstate commerce.

The Commission, acting upon its own motion, has duly investigated the relationship between interstate commerce in coal and intrastate commerce in coal in the State of Ohio, and, after hearing, has concluded and specifically found that substantially all transactions in intrastate commerce in all localities in the State of Ohio do directly affect interstate commerce in coal, and that transactions in coal in Ohio, interstate and intrastate, are so commingled together and interwoven that regulation of interstate commerce as required under the Act cannot be accomplished without like regulation of intrastate commerce in all localities within the State.

The general facts concerning the production, distribution and use of bituminous coal throughout the United States are clearly set forth in the records of twenty or more hearings held in recent years before Committees of Congress, as well as in the findings and opinions of the courts in Appalachian Coals versus United States, 288 U. S. 344, and Carter versus Carter Coal Company, et al., 298, U. S. 238.

Large tonnages of bituminous coal are produced in 28 counties of Ohio, as well as in the adjacent States of Pennsylvania, West Virginia, Virginia, Kentucky, Tennessee, Indiana and Illinois. Facilities for coal production throughout the coal mining areas of Ohio range from the small mine producing a few tons per day by hand labor to the highly mechanized operation employing hundreds of men and capable of loading and shipping enormous tonnages of coal daily. Wages in the coal mines of Ohio, as elsewhere, constitute the major item of cost and because of a mobility due to modern conditions of organization, transportation and employment, labor is peculiarly sensitive to any disturbance of the delicate balance now maintained between competitive coal districts as to their wage levels and working conditions. In late years prices realized by producers for their coal have not, on the average, equalled production costs, with the result that throughout the industry price demoralization inevitably leads to wage reductions, less rigid observation of safety standards and increased wastes in the process of mining.

In recent years radical changes have taken place in methods of coal distribution. At one time coal from individual mines and producing fields was limited to local use or to markets available only by railroad and steamship lines. Today the development of improved roads and the widespread use of motor trucks has broadened immeasurably the markets available to any individual mine or producing district, and by reason of this new method of distribution tonnages produced by small mining operations which individually would appear to have little bearing upon markets, now seriously affect conditions because of the cumulative effect of tonnages made available from groups of small mines and transported to distant markets by truck.

Bituminous coal has likewise undergone a transformation insofar as uses are concerned. At one time coal as produced from the mine, that is, run of mine, was universally accepted by consumers. Today, elaborate screening facilities must be provided to meet market demands and a wide variety of sizes and grades is generally offered. Producers, therefore, are under constant stress to find outlets for particular sizes of coal not in immediate demand in order to continue operation of their mines.

In former years industries using coal were to a large extent local or, at most, statewide in scope. Today, those industries which depend on coal for energy and raw materials are organized and conducted on the basis of finding outlets for their products, not only within the state of origin but throughout other states. Electric power produced from coal is now generated in huge units whose output under modern transmission methods enters consuming centers

[1] 2 F.R. 1267 (DI).

beyond the state. Bituminous coal still serves as a main source of energy for the railroads, whose principal activities are in interstate commerce. Today, in all of its markets, bituminous coal must meet the competition of other fuels and forms of energy, supplies of which are transported in many instances from producing areas hundreds of miles distant.

It may therefore be concluded that, in general, the production and distribution of coal has ceased to be an activity, local in effect, and that commerce in coal cannot any longer be dealt with as a business activity limited in scope to areas within the confines of a single state.

The production and distribution of coal in the State of Ohio presents a picture typical of the industry. With 23,327,450 tons produced in 1936 by Ohio mines, 12,630,011 tons were consumed within the state for domestic fuel and industrial purposes, and 10,597,449 tons shipped for consumption in other states or sold as railroad and steamship fuel. In the same year Ohio imported 26,815,000 tons of coal although its own production facilities were not operating at full capacity.

In surveying the uses of coal within the state, we find a range from the industrial plants of the Mahoning Valley, the power plants scattered at strategic points throughout the state, and railroads and steamship lines, to domestic heating not only in the stores and apartments of large cities but in the humblest dwellings in rural communities.

Coal is today transported throughout Ohio by a network of railroads which cover the state, as well as by barges and steamers on the Ohio River and Lake Erie. These methods of transportation are supplemented by the movement of coal by motor truck, not only directly from producing mines but from distribution facilities located in every substantial community and serving wide areas.

A review of the marketing of coal in the State of Ohio shows that state lines are not a factor in distribution. Coal moves in and out of the state by barges, railroad cars and trucks. Coals produced within Ohio compete actually in every market with coals produced in other states, and all coals must constantly meet the keen competition of other fuels. Undoubtedly cases exist where it will be shown that in isolated communities or in individual transactions there may be no direct relationship between interstate commerce and intrastate commerce in coal. Nevertheless it is clear that in the overwhelming majority of instances, intrastate commerce cannot be set apart and distinguished from interstate commerce. From our study of commerce in coal in the State of Ohio we find no line of distinction between mines and producing fields engaging in intrastate commerce in the state and those engaging in interstate commerce, nor do we find that any particular size, grade or quality of coal can be earmarked for movement into other states. Neither the cost or methods of producing and preparing coal determines its market within or without the state. Coal is produced and loaded at the mine for shipment without regard to its ultimate destination which is determined entirely by marketing factors.

This relationship between the two types of commerce becomes significant in administering any stabilization plan using minimum prices and fair trade practice rules as media or regulation. In the coal industry of Ohio, as in other states, with potential capacity substantially exceeding demand, with consumption varying from season to season as well as with the rise and fall of industrial activities, with continued encroachments on coal markets by other fuels which are not subject to regulation, the price of coal is, in the vast majority of cases, the essential determining factor in the selection of coals by consumers. Small price differences lead not only to substantial changes in the demand for particular coals but also to diversion of business from one mine or mining field to another. The presence or absence of fair trade regulations definitely affects the ability of producers and distributors to compete and unfair trade practices very frequently result in advantages which may be calculated in terms of price.

From the highly competitive conditions presently existing in the coal industry in the State of Ohio and neighboring states, it would appear that the competition is and will continue to be so keen that the failure to regulate transactions in intrastate commerce within the state renders impossible any effective regulation of interstate coal moving into Ohio. In this case the question of price and fair trade practices certainly dominates coal in trade between the states.

The Commission therefore has found that these relationships will continue in effect and that failure to guard against consequences of non-regulation of intrastate commerce in Ohio will undoubtedly lead to irreparable injury to producers and producing districts now engaged in interstate commerce and serving consumers within the State of Ohio.

In its investigation of intrastate commerce in coal in Ohio, the Coal Commission has followed the only practical method of procedure. Transactions in bituminous coal by individual producers vary from day to day, coal from a particular mine may be shipped entirely in interstate commerce on one hand and in intrastate commerce on the succeeding day and carloads of particular sizes may be sold in local markets while other sizes find outlets in other states. To investigate and define specifically the character and effect of each transaction by every individual producer or in any given locality would be impracticable because such transactions number thousands daily and complete records of such transactions are not available. Consequently the Commission has arrived at its determinations through a review and analysis of general practices in coal distribution throughout the state, leaving for future determinations the status of individual cases as they may arise.

Adequate provision has been made in the Act for the protection of any person whose commerce in coal may hereafter be determined not to conform to the general rule. Section 4–A, after authorizing the Commission to extend application of the provisions of Section 4 to phases of intrastate commerce in coal, provides further that any producer believing that any commerce in coal is not subject to the provisions of Section 4 of the Act or to the provisions of Section 4–A extending operation of the Act and Code to phases of intrastate commerce, may file an application for exemption with the Commission, setting forth the facts upon which the claim is based.

Pending hearing and decision by the Commission the petitioner is exempted from any obligations, duty or liability imposed by said Section 4 or by any order of the Commission extending the operation of Section 4 to phases of intrastate commerce, a portion of which the producer claims to be exempt.

Provision is also made for the review of any order of the Commission denying or otherwise disposing of any application for exemption, such review to be had in conformity with subsection (b) of Section 6 of the Act.

The Commission by its order in Docket No. 18–FD, extending operation of Section 4 of the Act and the Bituminous Coal Code to intrastate commerce in all localities within the State of Ohio, provided further that notice of its action shall be given by mail to all known producers of coal who have not heretofore accepted the Code and directs publication of proper notice in newspaper of general circulation in each county known to produce bituminous coal within the State.

By the terms of the Commission's order the provisions of Section 4 and the Code do not begin to apply to persons engaged in intrastate commerce in coal in the State of Ohio, and therefore no obligation, duty or liability is imposed upon those persons, until the 15th day of December, 1937, thus affording adequate opportunity to such persons to file applications for exemption and thereby avoid liability until full hearing has been had in their individual cases.

ORDER

At a Regular Session of the National Bituminous Coal Commission Held at its Offices in Washington, D. C., on the 11th Day of November, 1937.

It appearing, That by Orders No. 2 and 13,[1] the Commission, upon its own motion entered into and conducted an investigation under the provisions of Section 4–A of the Bituminous Coal Act of 1937, for the purpose of determining the nature and extent of transactions in intrastate commerce in bituminous coal in the State of Ohio and the effect of such transactions upon interstate commerce in such coal; and

It further appearing, That reasonable public notice of a hearing was provided and that at said hearing interested parties were afforded an opportunity to be heard; that the presiding Examiner duly designated by the Commission having filed his report and recommendations and to the record of the evidence in this proceeding; and, the Commission having on the 8th day of November, 1937, made and filed its report, containing its findings of fact and conclusions thereon, which said report is hereby referred to and made a part hereof;

Now, therefore, It is by order declared:

That substantially all transactions in bituminous coal in intrastate commerce in all localities within the State of Ohio directly affect interstate commerce in such coal; and

That there will be an undue or unreasonable advantage, preference or prejudice as between transactions in intrastate commerce in Ohio on the one hand and interstate commerce in bituminous coal on the other hand, and an undue, unreasonable, or unjust discrimination against interstate commerce in such coal if such transactions in intrastate commerce or any substantial part thereof are not regulated and subjected to the provisions of Section 4 of the Bituminous Coal Act of 1937.

Therefore, it is further ordered:

1. That on and after the 15th day of December, 1937, all bituminous coal sold, delivered or offered for sale in transactions in intrastate commerce in such coal in all localities within the State of Ohio, shall be subject to the provisions of Section 4 of the Bituminous Coal Act of 1937, to the Bituminous Coal Code, as promulgated by the Commission and made effective on the 21st day of June, 1937, and to all relevant orders of the Commission in effect on the date of this order, as well as all further orders which may thereafter be issued by the Commission under Section 4 of said Act, so as to apply to such intrastate commerce in coal within the State of Ohio.

2. That any producer of bituminous coal in intrastate commerce within the State of Ohio, who may believe that his or its particular transactions in intrastate commerce in bituminous coal should be exempted from this order and/or from the provisions of Sections 4 and 4–A of said Bituminous Coal Act of 1937, may file application at any time hereafter for exemption pursuant to the second paragraph of Section 4–A of said Act, and be entitled to a hearing and appropriate orders thereon.

3. That the Secretary of the Commission shall give notice to each known producer of bituminous coal within the State of Ohio, who is not upon the date of this Order a member of the Bituminous Coal Code, by mailing, within five (5) days from this date, a copy of this Order, together with three (3) copies of the Form of Code Acceptance and rules prescribed by the Commission for filing acceptances, and a copy of the Bituminous Coal Code as promulgated under date of June 21, 1937.[2]

The Secretary shall cause a copy of this Order to be published in the FEDERAL REGISTER, and shall also publish a copy thereof in a newspaper of general circulation in each county within the State of Ohio known to produce bituminous coal, publication thereof to be made three (3) times within fourteen (14) days from the date of this Order.

By order of the Commission.

Dated this 11th day of November, 1937.

[SEAL] F. WITCHER MCCULLOUGH, *Secretary.*

[F. R. Doc. 37–3347; Filed, November 17, 1937; 11:02 a. m.]

[1] 2 F. R. 1266, 1463 (DI).
[2] 2 F. R. 1267 (DI).

COMMODITY CREDIT CORPORATION.

C. C. C. Cotton Form 1
INSTRUCTIONS
1937–38

1937–38 INSTRUCTIONS CONCERNING THE MAKING OF LOANS BY COMMODITY CREDIT CORPORATION TO COTTON PRODUCERS ON NOTES SECURED BY COTTON WAREHOUSE RECEIPTS

The Reconstruction Finance Corporation has extended to Commodity Credit Corporation a line of credit for the purpose of enabling Commodity Credit Corporation to make loans and/or purchase paper of producers of cotton, secured by pledge of cotton warehouse receipts. These instructions state the requirements with reference to making such loans and the purchase of such paper.

1. *Definitions.*—As used in these instructions, unless the context otherwise requires, the following terms will be construed respectively to mean—

(*a*) *Producer.*—Any person, partnership, association, or corporation producing cotton either as landowner, landlord, or tenant.

(*b*) *Eligible cotton.*—Cotton produced in 1937 of grade and staple as specified in paragraph 3 hereof, the beneficial title to which is and always has been in the producer. Attention is called to the fact that landlords cannot borrow on the tenant's share nor on cotton taken in on account. The tenant may borrow separately on his share.

(*c*) *Lending agency.*—Any bank, cooperative marketing association, or other corporation, partnership, association, or person lending money to producers on eligible cotton warehouse receipts, upon 1937–38 C. C. C. Cotton Form A. (A Loan Agency of the Reconstruction Finance Corporation is not included within this definition.)

(*d*) *Eligible paper.*—Notes of producers with loan agreements upon 1937–38 C. C. C. Cotton Form A or any form hereafter approved by Commodity Credit Corporation dated subsequent to September 10, 1937, and prior to April 1, 1938, and executed in accordance with these instructions with State documentary revenue stamps affixed thereto where required by law. (Notes executed by an administrator, executor, or trustee will be acceptable only where valid in law, and all such notes must be submitted for direct loans in accordance with paragraph 5 hereof.)

2. *Forms.*—The following documents must be delivered in connection with every loan made or note purchased by Commodity Credit Corporation:

(*a*) Note of producer (1937–38 C. C. C. Cotton Form A).
(*b*) Loan agreement (1937–38 C. C. C. Cotton Form A).
(*c*) Warehouse receipts complying with the provisions of Section 11 hereof issued by approved warehouses.
(*d*) Producer's Letter of Transmittal (1937–38 C. C. C. Cotton Form B) or Lending Agency's Letter of Transmittal (1937–38 C. C. C. Cotton Form C).

3. *Amount.*—Loans to producers will be made upon a basis of 9 cents per pound for cotton classed seven-eighths inch or longer as to staple and middling or better as to grade, and 7.75 cents per pound on cotton classed seven-eighths inch or longer as to staple and under middling in grade, provided no cotton shall be eligible for a loan which is of a grade not deliverable on contracts in compliance with the regulations of the New York and New Orleans Cotton Exchanges. Loans at the rate of 8 cents per pound will be

made on cotton classed thirteen-sixteenths inch as to staple and middling or better in grade. Thirteen-sixteenths inch staple cotton under middling in grade is not eligible for a loan. The term, "middling or better", as used herein, shall include only the following grades of cotton:

White Standards and Extra White:
- Middling Fair.
- Strict Good Middling.
- Good Middling.
- Strict Middling.
- Middling.

Spotted:
- Good Middling—Spotted.
- Strict Middling—Spotted.

4. *Time and manner of loans and purchase.*—Commodity Credit Corporation will purchase eligible paper, as defined above, only from lending agencies which have executed and delivered to the Loan Agency to which notes are submitted Contract to Purchase (1937–38 C. C. C. Cotton Form D) obtainable only from Loan Agencies. Under the terms of this contract, lending agencies are required to report on 1937–38 C. C. C. Cotton Form F all payments or collections on producers' notes held by them, and to remit promptly to Commodity Credit Corporation, Washington, D. C., an amount equivalent to one and one-half percent per annum interest on the principal amount collected from the date of the note to the date of payment.

Notes must be tendered on Lending Agency's Letter of Transmittal (1937–38 C. C. C. Cotton Form C) in duplicate prior to July 1, 1938, to the Loan Agency serving the district in which the cotton is stored as indicated in paragraph 15 hereof. The purchase price to be paid by Commodity Credit Corporation for notes accepted will be the face amount of such notes, plus accrued interest from their respective dates to the date of payment of the purchase price at the rate of two and one-half percent per annum.

5. *Direct loans.*—It is contemplated that producers will ordinarily obtain loans from a local bank or other lending agency which, in turn, may sell the paper evidencing such loans to Commodity Credit Corporation. Arrangements, however, have been made for making direct loans to producers prior to April 1, 1938. In such cases the note must be made payable to Commodity Credit Corporation and must be tendered to the Loan Agency of the Reconstruction Finance Corporation serving the district in which the cotton is stored on a producer's Letter of Transmittal (1937–38 C. C. C. Cotton Form B), in duplicate, postmarked not later than midnight of March 31, 1938, if tendered by mail. Upon delivery of all necessary documents properly executed and upon approval of the loan by the Manager of the Loan Agency, payment will be made in accordance with the directions of the producer contained in said 1937–38 C. C. C. Cotton Form B.

6. *Preparation of documents.*—A producer desiring a loan upon eligible cotton may obtain the necessary forms from any county extension agent in the cotton-producing areas, also from the Loan Agencies of the Reconstruction Finance Corporation listed in Section 15 of these instructions. Such forms may also be obtained from Commodity Credit Corporation, Washington, D. C. The forms are identified and no reprints or substitutes may be used.

All blanks in both the note and loan agreement must be filled in with ink, indelible pencil, or typewriter in the manner indicated therein, and no documents containing additions, alterations, or erasures will be accepted by Commodity Credit Corporation or Reconstruction Finance Corporation. Only the white copy of the note and loan agreement marked original is to be executed; the colored copy marked duplicate is to be retained by the producer.

7. *Liability of producer.*—If the producer complies with the terms of the loan agreement, he will not be personally liable for any deficiency upon the sale of the pledged cotton. The note and loan agreement govern the liability of the producer and should be read carefully.

8. *Lending agency.*—The lending agency may endorse the notes of producers without recourse as provided in the note, 1937–38 C. C. C. Cotton Form A. Care should be exercised by the lending agency to determine the genuineness of the signatures to the note and loan agreement and that the warehouse receipts are genuine and represent merchantable cotton in existence. No provision is made for any deduction from the loan proceeds as a charge for handling the loan documents. Lending agencies must complete the "Advice of Loan" slip appended to the loan agreement, detach and mail same to Commodity Credit Corporation, Washington, D. C., as loans are made to producers. All blanks in the Advice of Loan and Schedule of Repayments (1937–38 C. C. C. Cotton Form F) must be filled in with ink, indelible pencil, or typewriter.

9. *Liens.*—All cotton tendered to Commodity Credit Corporation must be free and clear of all liens except in favor of the lienholders listed in the space provided therefor in the loan agreement. The names of the holders of all existing liens on the pledged cotton such as landlords, laborers, or mortgagees (but not warehousemen), must be listed in the space provided therefor in paragraph 2 of the loan agreement. If the borrower is a tenant, the landlord must sign the lien waiver whether or not he claims lien. A misrepresentation as to prior liens, or otherwise, will render the producer personally liable under the terms of the loan agreement (1937–38 C. C. C. Cotton Form A) and subject to criminal prosecution under the provisions of Section 10 (a) of the Reconstruction Finance Corporation Act, as amended, which section is printed at the end of the loan agreement. The waiver and consent to the pledge of the cotton and the payment of the proceeds of the loan and the proceeds of the sale of the cotton solely to the producer as contained in paragraph 2 of the loan agreement must be signed personally by all lienholders listed or by their agents whose duly executed authority must be attached firmly; or, if corporations, by the designated officer thereof customarily authorized to execute such instruments, in which case the duly executed authority need not be attached. Notes in which the waiver and consent to pledge, as contained in paragraph 2 of the Loan Agreement, are not signed by all prior lienholders listed by producer, will not be acceptable to Commodity Credit Corporation. The producer may direct in the Letter of Transmittal (1937–38 C. C. C. Cotton Form B) that the proceeds check for a direct loan from Commodity Credit Corporation be made payable to him and/or such other person or concern as he may direct thereon.

10. *Warehouses.*—Commodity Credit Corporation will accept only insured warehouse receipts covering cotton pledged as collateral to notes on 1937–38 C. C. C. Cotton Form A issued by any warehouse approved by the Loan Agency of the Reconstruction Finance Corporation serving the district in which such warehouse is located. Warehousemen are advised to communicate with the Loan Agency of the Reconstruction Finance Corporation concerning approval. When warehouses are approved, notification will be given either by letter or published lists. All cotton pledged as security for a note must be in the same warehouse.

The warehouseman guarantees in the certificate and waiver, provided in paragraph 1 of the loan agreement, that the cotton falls within the proper grade and staple classification for the loan made and is responsible to Commodity Credit Corporation for any loss occasioned by reason of misrepresentation of the class whether intentional or otherwise.

11. *Warehouse receipts.*—Only negotiable insured warehouse receipts dated prior to the date of the producer's note and properly assigned by an endorsement in blank so as to vest title in the holders or issued to bearer, executed by warehousemen who are not owners of the cotton, will be acceptable. They must set out in their written or printed terms a description by tag number and weight of the bale or bales represented thereby, and all other facts and statements required to be stated in the written or printed terms of a warehouse receipt under the provisions of Section 2 of the Uniform Warehouse Receipts Act. Warehouse receipts issued prior to August 1, 1937, which by their terms will expire prior to August 1, 1938, must bear endorsement of the warehouse extending the terms of the warehouse receipt for a period of 1 year from August 1, 1937. Block warehouse receipts will

be accepted only when the tag number and weight of each bale is indicated on the block receipt.

12. *Warehouse charges.*—The warehouseman's charges are limited and his obligations defined by the form of warehouseman's certificate and waiver provided in paragraph 1 of the loan agreement. This should be read carefully and must be executed by the warehouseman issuing the cotton warehouse receipts pledged as collateral to the producer's note.

13. *Insurance.*—Holders of notes desiring insurance coverage in addition to the insurance coverage provided by the warehousemen as specified in paragraph 1 of the loan agreement (1937–38 C. C. C. Cotton Form A), should obtain such coverage at their own expense. In addition to the insurance provided by the warehousemen, Commodity Credit Corporation has obtained a blanket insurance policy covering any differences between the market value of the cotton and the loan value plus interest and accrued charges, in the event that the market value of the cotton at the time and place of a loss is less than the amount of the note plus interest and accrued charges. This blanket policy protects the Corporation in the event the warehouseman fails to comply with the insurance requirements of the Corporation and also covers any losses or damage to the cotton to the amount of the loan, plus interest and charges, due to flood.

The premium under this blanket policy is 1¾ cents per $100 per month on the daily average balance of the outstanding loans, with respect to the insurance of warehousemen, and flood. The premium for any difference between loan value and market value is at the rate of 7 cents per $100 per month on the actual amount of such difference, this premium to be reported and paid only in the event that the market value, as quoted by the Bureau of Agricultural Economics of the United States Department of Agriculture, for middling seven-eighths inch cotton on the New Orleans spot market, is less than the loan value plus interest and accrued charges.

Banks and other lending agencies may obtain such insurance coverage as they desire through the usual channels or they may secure coverage under the blanket policy carried by Commodity Credit Corporation. Banks and other lending agencies desiring to obtain this coverage should write Commodity Credit Corporation, Washington, D. C., and appropriate instructions will be issued together with the necessary forms for reporting thereunder. Upon purchase by Commodity Credit Corporation no allowance will be made to cover the costs of insurance obtained by lending agencies.

14. *How money is to be obtained from the Commodity Credit Corporation.*—Where the loan is to be made by Commodity Credit Corporation direct to the producer, the Producer's Letter of Transmittal (1937–38 C. C. C. Cotton Form B) is to be completed by the producer and presented in duplicate either in person or preferably by mail with eligible paper to the Loan Agency of the Reconstruction Finance Corporation serving the district in which the cotton is stored as indicated in paragraph 15 hereof. A copy of this letter is to be retained by the producer as a memorandum. Upon approval of the documents, payment will be made pursuant to the letter.

Where the letter and documents are presented by the producer in person the certificate printed at the bottom of the letter need not be executed, provided the producer can furnish evidence satisfactory to the Agency Manager as to his identity.

Lending agencies desirous of selling eligible paper to Commodity Credit Corporation will follow the same procedure except that the Lending Agency's Letter of Transmittal (1937–38 C. C. C. Cotton Form C) will be used. It must be completed in accordance with the instructions printed thereon.

15. *Loan Agencies of the Reconstruction Finance Corporation.*—The location of the Loan Agencies of the Reconstruction Finance Corporation previously referred to herein and the district served by each agency in connection with this loan are shown below:

Loan Agency:	*District Served*
Atlanta, Ga.	Georgia.
	Florida.
Birmingham, Ala.	Alabama.
Charlotte, N. C.	Virginia.
	North Carolina.
	South Carolina.
Dallas, Tex.	Cities in Texas attached to Dallas in Federal Reserve Inter-District Collection System.
El Paso, Tex.	New Mexico.
	Cities in Texas attached to El Paso in Federal Reserve Inter-District Collection System.
Houston, Tex.	Cities in Texas attached to Houston in Federal Reserve Inter-District Collection System.
Little Rock, Ark.	All cities in Arkansas except those attached to Memphis in Federal Reserve Inter-District Collection System.
Los Angeles, Calif.	California.
	Arizona.
Memphis, Tenn.	Illinois.
	Missouri.
	Tennessee.
	Cities in Arkansas and Mississippi attached to Memphis in Federal Reserve Inter-District Collection System.
New Orleans, La.	Louisiana.
	Cities in Mississippi attached to New Orleans in Federal Reserve Inter-District Collection System.
Oklahoma City, Okla.	Oklahoma.
San Antonio, Tex.	Cities in Texas attached to San Antonio in Federal Reserve Inter-District Collection System.

16. *Release of collateral.*—If the producer's note was made payable directly to Commodity Credit Corporation and he desires to obtain the return of the note and the release of the collateral upon payment, he should notify the Federal Reserve Bank or branch thereof serving the district in which the cotton is stored as provided in paragraph 15 hereof. If his note was made payable to a payee other than Commodity Credit Corporation, the producer should notify the payee named therein. Warehouse receipts representing cotton held by Commodity Credit Corporation will be released by the Federal Reserve Bank or branch thereof holding the receipts, upon the payment of the amount of the loan, the accrued interest, and proper charges. Upon written request of the producer or the lending agency, the note and warehouse receipts will be forwarded to an approved bank, to be released to the producer or his agent against payment. Where receipts are transmitted to a bank they will be sent, with a request to return them to the sender, if payment and release are not effected within 15 days. All charges and expenses of the bank are to be paid by the producer.

[SEAL]

[F. R. Doc. 37-3344; Filed, November 17, 1937; 9:37 a. m.]

FEDERAL TRADE COMMISSION.

United States of America—Before Federal Trade Commission

At a regular session of the Federal Trade Commission, held at its office in the City of Washington, D. C., on the 12th day of November, A. D. 1937.

Commissioners: William A. Ayres, Chairman; Garland S. Ferguson, Jr.; Charles H. March, Ewin L. Davis, Robert E. Freer.

[Docket No. 3214]

IN THE MATTER OF THE WEBB CRAWFORD COMPANY, A CORPORATION, ED. D. WIER, E. L. WIER, AND CARTER W. DANIEL, INDIVIDUALS TRADING UNDER THE FIRM NAME AND STYLE OF

"DANIEL BROKERAGE COMPANY", CHARLES F. GATES AND SONS, INC., A CORPORATION, GODCHAUX SUGARS, INC., A CORPORATION, J. ARON AND COMPANY, INC., A CORPORATION, MYLES SALT COMPANY, LTD., A CORPORATION, MORTON SALT COMPANY, A CORPORATION, J. D. JOHNSTON, JR., COMPANY, THE SHOTWELL MANUFACTURING COMPANY, CINCINNATI SOAP COMPANY, AND JACKSON HAY COMPANY, RESPONDENTS

ORDER APPOINTING EXAMINER AND FIXING TIME AND PLACE FOR TAKING TESTIMONY

This matter being at issue and ready for the taking of testimony, and pursuant to authority vested in the Federal Trade Commission, under Acts of Congress (38 Stat. 717; 15 USCA, Section 41) and (49 Stat. 1526, USCA, Sec. 13, as amended)

It is ordered, That John J. Keenan, an examiner of this Commission, be and he hereby is designated and appointed to take testimony and receive evidence in this proceeding and to perform all other duties authorized by law;

It is further ordered, That the taking of testimony in this proceeding begin on Tuesday, December 7, 1937, at ten o'clock in the forenoon of that day (eastern standard time), Small Court Room No. 324, Post Office Building, Atlanta, Georgia.

Upon completion of testimony for the Federal Trade Commission, the examiner is directed to proceed immediately to take testimony and evidence on behalf of the respondent. The examiner will then close the case and make his report.

By the Commission.

[SEAL] OTIS B. JOHNSON, *Secretary*.

[F. R. Doc. 37-3346; Filed, November 17, 1937; 10:13 a. m.]

INTERSTATE COMMERCE COMMISSION.

At a General Session of the Interstate Commerce Commission, held at its office in Washington, D. C., on the 8th day of November, A. D. 1937.

[Ex Parte No. MC 15]

ORDER IN THE MATTER OF REGULATIONS GOVERNING SIZES AND WEIGHT OF MOTOR VEHICLES AND COMBINATIONS OF MOTOR VEHICLES USED BY COMMON AND CONTRACT CARRIERS IN TRANSPORTATION OF PASSENGERS AND BY COMMON, CONTRACT, AND PRIVATE CARRIERS IN TRANSPORTATION OF PROPERTY IN INTERSTATE OR FOREIGN COMMERCE

Section 204 (a) (1), (2), and (3) and section 225 of the Motor Carrier Act, 1935, being under consideration, and good cause appearing therefor:

It is ordered, That investigation be, and it is hereby, instituted into the above-described matter for the following purposes:

1. To enable the Commission to make a report under the provisions of section 225 on the need for Federal regulation of the sizes and weight of motor vehicles and combinations thereof, and

2. To enable the Commission to prescribe reasonable requirements under the provisions of section 204 of the act as to the sizes and weight of motor vehicles and combinations thereof insofar as they affect the safety of operation.

It is further ordered, That notice of this proceeding be given to common and contract carriers by motor vehicle and private carriers of property by motor vehicle, as defined in part II of the Interstate Commerce Act, and other interested parties by such means as the Commission may hereafter adopt and use for that purpose, including the posting of a notice in the office of the Commission's Secretary.

And it is further ordered, That this proceeding be assigned for hearing at such time and place as the Commission may hereafter direct.

By the Commission.

[SEAL] W. P. BARTEL, *Secretary*.

[F. R. Doc. 37-3349; Filed, November 17, 1937; 12:14 p. m.]

[No. MC-C-4 [1]]

LOS ANGELES, CALIF., COMMERCIAL ZONE

Submitted October 31, 1936. Decided November 9, 1937

1. Removal of exemption provided in section 203 (b) (8) of the Motor Carrier Act, 1935, respecting transportation by motor vehicle between the harbor districts of Los Angeles and Long Beach, Calif., on the one hand, and other points within the Los Angeles commercial zone, on the other, found necessary to carry out the policy of Congress enunciated in section 202 of the act.

2. Zone adjacent to and commercially a part of Los Angeles and contiguous municipalities (except the San Pedro, Wilmington, and Terminal Island districts of Los Angeles and Long Beach) and zone adjacent to and commercially a part of the San Pedro, Wilmington, and Terminal Island districts of Los Angeles and Long Beach, in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond each zone, is partially exempt from regulation under section 203 (b) (8), determined.

Scott Elder, Ira H. Rowell, and Frank B. Austin for Railroad Commission of California.

Clyde M. Leach for Board of Harbor Commissioners, Los Angeles, Calif., and Charles A. Bland for Board of Harbor Commissioners, Long Beach, Calif.

Martin C. Frincke, Jr., Warren E. Libby, H. W. Baugh, Arlo D. Poe, Joe Abrams, Rex W. Boston, R. N. Christensen, Ed. B. Collinge, Harold W. Dill, Wallace K. Downey, A. Myers, David G. Shearer, L. W. Wright, and H. Halverson for truckmen's associations and individual motor carriers.

H. R. Brashear, T. A. Loretz, R. J. Beck, B. F. Bolling, Charles R. Boyer, Emuel J. Forman, R. S. Sawyer, R. E. Crandall, Geo. P. Rahe, K. D. Loos, E. E. Tuttle, L. A. Strouse, and Robert C. Neill for shippers' associations and individual shippers.

E. E. Bennett, E. T. Lucey, Berne Levy, J. E. Lyons, J. R. Bell, W. S. Wheaton, and R. E. Wedekind for rail carriers.

H. S. Marx and Edward Stern for Railway Express Agency, Inc.

REPORT OF THE COMMISSION

Division 5, Commissioners Eastman, Lee, and Rogers

By Division 5:

Exceptions were filed by one of the parties to the order recommended by the examiner, and the proceeding was argued orally. Our conclusions differ from those recommended by the examiner.

This is an investigation, on our own motion, to determine the area of the municipality of Los Angeles, Calif., and municipalities contiguous thereto, and of the zone adjacent to and commercially a part of such municipalities, within the meaning of section 203 (b) (8) of the Motor Carrier Act, 1935,[2] and to take such other action and make such other

[1] This report does not embrace that part of the investigation relating to classifications of groups of motor carriers.

[2] Section 203 (b) (8) and the immediately preceding and qualifying portions of section 203 are as follows:

> * * * nor, unless and to the extent that the Commission shall from time to time find that such application is necessary to carry out the policy of Congress enunciated in section 202, shall the provisions of this part, except the provisions of section 204 relative to qualifications and maximum hours of service of employees and safety of operation or standards of equipment apply to: (8) The transportation of passengers or property in interstate or foreign commerce wholly within a municipality or between contiguous municipalities or within a zone adjacent to and commercially a part of any such municipality or municipalities, except when such transportation is under a common control, management, or arrangement for a continuous carriage or shipment to or from a point without such municipality, municipalities, or zone, and provided that the motor carrier engaged in such transportation of passengers over regular or irregular route or routes in interstate commerce is also lawfully engaged in the intrastate transportation of passengers over the entire length of such interstate route or routes in accordance with the laws of each State having jurisdiction; * * *.

findings, determinations, and orders as the facts and circumstances warrant.

Los Angeles, in southern California, is about 200 miles from the nearest State line and 125 miles from the international border. It occupies an area of 480 square miles and in 1930 had a population of 1,238,048. Since the original settlement just south of San Gabriel Mountains, the city has grown in every direction assuming an irregular outline. On the south a narrow strip of annexed land, between one-half and three-quarters of a mile wide and known as the "shoe string" strip, connects the main area of Los Angeles with the annexed districts of San Pedro, Wilmington, and Terminal Island. The southwestern limits of the city also extend to the Pacific Ocean.

Separate municipalities contiguous to Los Angeles in the sense that they actually touch or border thereon are San Fernando, Beverly Hills, Santa Monica, Culver City, Inglewood, Hawthorne, El Segundo, Torrance, Burbank, Glendale, Pasadena, South Pasadena, Alhambra, Vernon, Huntington Park, and Long Beach, Calif. The unincorporated town of Gardena, Calif., is also contiguous. Los Angeles and its surrounding group of cities and towns occupy practically all of Los Angeles County south of the San Gabriel and Santa Susana Mountains and west of the San Gabriel River, and have a population of approximately 2,000,000.

Across the city in an east and west direction, from the western limits of Alhambra to the western edge of Santa Monica, the distance is approximately 23 miles, and from the extreme northwestern corner of the city to the extreme southern corner it is about 50 miles.

The port facilities of Los Angeles are in the San Pedro, Wilmington, and Terminal Island districts. These facilities together with those at Long Beach constitute the Port of Los Angeles. A few years ago the port ranked second in foreign tonnage and first in intercoastal tonnage. It now ranks fifth in total tonnage. About 90 percent of the wharves in the Los Angeles harbor districts are owned by the city, of which some are leased to private interests.

The industrial activity of Los Angeles was originally confined to the eastern section of the city just north of what is now Vernon. In recent years it has moved beyond the city limits; and many industries have relocated and new industries have been established in the territory east of the city, mainly in Vernon, Huntington Park, Bell, and Southgate, Calif., and in unincorporated areas in the vicinity of these municipalities. These manufacturing or industrial districts are generally considered to be commercially a part of Los Angeles where most of the products are absorbed.

The principal point of difference between the parties is whether the Los Angeles harbor districts and Long Beach should be included within the area in which the exemption in section 203 (b) (8) applies. The Los Angeles Chamber of Commerce and the Los Angeles Traffic Conference, a group of traffic managers of 20 or more leading industrial firms, contend that the Los Angeles commercial zone embraces all of Los Angeles and the territory west of the harbor line of the Union Pacific Railroad Company and northeast of the line of the Atchison, Topeka and Santa Fe Railway Company from the harbor districts, through Torrance, to a point at approximately the center of the northern limits of El Segundo. On the other hand, the motor carriers, with a single exception, and the rail carriers are adverse to the inclusion of the San Pedro, Wilmington, and Terminal Island districts and Long Beach in the same zone with the business and industrial sections of Los Angeles.

Petroleum products from California points to the Port of Los Angeles move generally by pipe line. Other freight between the port and the business and industrial districts of Los Angeles is transported by 4 rail carriers and approximately 140 motor carriers. Between the wharves within the port, transshipments are handled by motor carriers engaged entirely in this specialized form of service.

Prior to 1923 traffic from wharves at the port to the central business section of the city was handled chiefly by rail carriers. In that year business through the port began to increase materially, the wharves became congested, and trucks began to move a large volume of the tonnage. Formerly the steamship lines collected a loading charge on all traffic which was transferred from steamer to rail or truck, but, in order to facilitate handling, the charge was discontinued when movement from the port was by motor truck, and the rail lines' proportion of the traffic has constantly diminished since that time. In 1923 the rail proportion was approximately 75 percent. In 1935 about 62 percent of the inbound tonnage of general cargo through the port, except lumber and oil, was moved by truck, and 90 percent thereof was destined to points within the switching limits of the city.

The total movement of merchandise and lumber handled over municipally operated wharves in 1935 was 2,544,122 inbound tons and 1,242,438 tons outbound. Of this inbound and outbound tonnage, 1,240,628 tons and 601,013 tons, respectively, or an average of 48.6 percent, moved by truck.

No highway connecting the central business section of Los Angeles and the port lies entirely within the city limits. If a route over Figueroa Street is used from the City Hall of Los Angeles to 190th Street and Normandie Avenue beyond, all but one and one-half miles is within the city limits. Truck Boulevard (Alameda Boulevard) and Wilmington Boulevard are through rather thickly settled territory north of Compton and through sparsely settled territory between Compton and the Wilmington section. Over Long Beach Boulevard, the route is through a densely populated area. Main Street and Avalon Boulevard, between 120th Street and the northern limits of the Wilmington section, a distance of approximately 9 miles, run through unincorporated territory consisting mainly of small farm lands.

At present there is no effective regulation by the Railroad Commission of California of the rates of motor carriers operating between the port and Los Angeles proper. That Commission attempted to exercise jurisdiction over a carrier operating between these areas, but the carrier claimed that he was operating in interstate and foreign commerce exclusively and that the order of the Commission directing him to cease and desist from operating was a direct burden on such commerce. The Supreme Court of California in *Meyers* v. *Railroad Commission*, 23 Pac. (2nd) 26, sustained his contention and annulled the Commission's order.

Transportation by motor vehicle in interstate and foreign commerce between the port and the main business and industrial sections of Los Angeles, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond, is now exempt from regulation by us under the provisions of section 203 (b) (8), except with respect to qualifications and maximum hours of service of employees, safety of operations, and standards of equipment. The motor carriers generally which perform this transportation ask us to exercise our authority to remove this exemption in order to prevent unfair and destructive competitive practices between the motor carriers which operate to and from the port, and to carry out in other respects the policy of Congress declared in section 202.

In *New York, N. Y., Commercial Zone*, 1 M. C. C. 665, 2 M. C. C. 191, and *St. Louis, Mo.-East St. Louis, Ill., Commercial Zone*, 1 M. C. C. 656, we discussed the principles underlying the determinations of commercial zones for the purpose of applying the exemption in section 203 (b) (8). As we stated in the supplemental report in *New York, N. Y., Commercial Zone*, 2 M. C. C. 191, Congress intended by the exemption in that section to remove from Federal regulation operations which, although in interstate or foreign commerce, were nevertheless of a distinctly local or urban type, as distinguished from intercity or intercommunity operations. In *St. Louis, Mo.-East St. Louis, Ill., Commercial Zone, supra*, we found that the application of all provisions of the act to transportation by motor vehicle between Belleville, Ill., a municipality contiguous to East St. Louis, Ill., on the one hand, and points in the St. Louis-East St. Louis Commercial Zone, on the other, was necessary to carry out the policy of Congress, and the exemption respecting this transportation was removed. Elizabeth and

other municipalities in New Jersey contiguous to New York, N. Y., were not included in the commercial zone prescribed in *New York, N. Y., Commercial Zone, supra.*

The port is separate from the main residential, business, and industrial sections of Los Angeles. Although the motor carriers' pick-up and delivery areas and the rail carriers' switching limits extend to areas beyond the corporate limits of Los Angeles, they do not embrace any part of the San Pedro, Wilmington, and Terminal Island districts or Long Beach. A separate switching district for the Los Angeles harbor, which has had our approval, is maintained by the rail carriers. See *Unified Operation at Los Angeles Harbor*, 150 I. C. C. 649, and *Wilmington Cham. of Com.* v. *Atchison, T. & S. F. Ry. Co.*, 198 I. C. C. 213. Because of the distance between the port and the main business and industrial sections of Los Angeles, and because of the nature of the transportation, the movement of property to and from the port is not local but intercity in character, and should be regulated under all provisions of the act.

We find that the removal of the exemption provided in section 203 (b) (8) respecting transportation by motor vehicle between the Los Angeles harbor districts and Long Beach, on the one hand, and other points within the considered area, on the other, it is necessary to carry out the policy of Congress enunciated in section 202. To effect the removal of the exemption we shall designate two zones, one which may be termed the Los Angeles Commercial Zone and the other, the Los Angeles Harbor Commercial Zone. The exemption provided in section 203 (b) (8) will continue to apply to transportation by motor vehicle subject to the act within each zone, but not to transportation from points in one zone to points in the other.

We further find that the zones adjacent to and commercially a part of Los Angeles and contiguous municipalities (except the San Pedro, Wilmington and Terminal Island districts and Long Beach), in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone will, until further order, be partially exempt from regulation, is the area east of a line extending in a generally northwesterly and northerly direction from the intersection of Inglewood Avenue and Redondo Beach Boulevard along the eastern and northern corporate limits of Redondo Beach, Calif., to the eastern corporate limits of Manhattan Beach, Calif., thence along the eastern and northern corporate limits of Manhattan Beach to the Pacific Ocean, thence along the shore line of the Pacific Ocean to the western corporate limits of Los Angeles at a point east of Topanga Canyon, and thence along the western corporate limits of Los Angeles to a point near Santa Susana Pass; south of a line extending in a generally easterly direction from a point near Santa Susana Pass along the northern corporate limits of Los Angeles to the eastern corporate limits of Burbank, thence along the eastern corporate limits of Burbank to the northern corporate limits of Glendale, and thence along the northern corporate limits of Glendale and Pasadena to the northeastern corner of Pasadena; west of a line extending in a generally southerly and southwesterly direction from the northeastern corner of Pasadena along the eastern and a portion of the southern corporate limits of Pasadena to the eastern corporate limits of San Marino, Calif., thence along the eastern corporate limits of San Marino and the eastern and a portion of the southern corporate limits of Alhambra to the western corporate limits of Monterey, Calif., thence along the western corporate limits of Monterey and the western corporate limits of Montebello, Calif., to the Rio Hondo, and thence along the Rio Hondo and the Los Angeles River to the northern corporate limits of Long Beach; and north of a line extending in a generally westerly direction from the Los Angeles River along the northern corporate limits of Long Beach and the southern and a portion of the western corporate limits of Compton, Calif., to Olive Street, thence along Olive, Main, Walnut, and 182nd Streets to the eastern corporate limits of Torrance, thence along a portion of the eastern and the northwestern corporate limits of Torrance to Redondo Beach Boulevard, and thence along Redondo Beach Boulevard to Inglewood Avenue.

We further find that the zone adjacent to and commercially a part of the Wilmington, San Pedro, and Terminal Island districts of Los Angeles and Long Beach in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone will, until further order, be partially exempt from regulation, is the area east of a line extending in a generally northerly and northwesterly direction from the Pacific Ocean along the western corporate limits of Los Angeles to 258th Street, thence along 258th Street to the eastern corporate limits of Torrance, and thence along a portion of the eastern, and along the southern and western corporate limits of Torrance to the northwestern corner of Torrance; south of a line extending in a generally easterly direction from the northwestern corner of Torrance along the northwestern and a portion of the eastern, corporate limits of Torrance to 182nd Street, thence along 182nd, Walnut, Main, and Olive Streets to the western corporate limits of Compton, and thence along a portion of the western and along the southern corporate limits of Compton and the northern corporate limits of Long Beach to the northeastern corner of Long Beach; west of the eastern corporate limits of Long Beach; and north of the southern corporate limits of Long Beach and Los Angeles.

An order giving effect to these findings will be entered.

At a Session of the Interstate Commerce Commission, Division 5, held at its office in Washington, D. C., on the 9th day of November, A. D. 1937.

[No. MC–C–4]

ORDER RELATIVE TO LOS ANGELES, CALIF., COMMERCIAL ZONE

Investigation of the matters and things involved in this proceeding having been made, and said division, on the date hereof, having made and filed a report herein containing its findings of fact and conclusions thereon, which report is made a part hereof:

It is ordered, That the exemption in section 203 (b) (8) of the Motor Carrier Act, 1935, to the extent it affects transportation by motor vehicle between points in Los Angeles, Calif., municipalities contiguous thereto, and the zone adjacent thereto and commercially a part thereof north of a line extending in a generally westerly direction from the northeastern corner of Long Beach, Calif., along the northern corporate limits of Long Beach, and the southern and a portion of the western corporate limits of Compton, Calif., to Olive Street, thence along Olive, Main, Walnut, and 182nd Streets to the eastern corporate limits of Torrance, Calif., thence along a portion of the eastern and the northwestern corporate limits of Torrance to Redondo Beach Boulevard, and thence along Redondo Beach Boulevard to Inglewood Avenue, on the one hand, and points south of that line, on the other hand, be, and it is hereby, removed, and that said transportation be, and it is hereby, subjected to all of the provisions of the Motor Carrier Act, 1935.

It is further ordered, That for the purpose of administration and enforcement of the Motor Carrier Act, 1935, the zone adjacent to and commercially a part of Los Angeles and contiguous municipalities (except the San Pedro, Wilmington, and Terminal Island districts of Los Angeles and Long Beach, Calif.), in which transportation by motor vehicle in interstate or foreign commerce, not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt from regulation under section 203 (b) (8) of the act, be, and it is hereby, defined to include the area east of a line extending in a generally northwesterly and northerly direction from the intersection of Inglewood Avenue and Redondo Beach Boulevard along the eastern and northern corporate limits of Redondo Beach, Calif., to the eastern corporate limits of Manhattan Beach, Calif., thence along the eastern and northern corporate limits of Manhat-

tan Beach to the Pacific Ocean, thence along the shore line of the Pacific Ocean to the western corporate limits of Los Angeles at a point east of Topanga Canyon, and thence along the western corporate limits of Los Angeles to a point near Santa Susana Pass; south of a line extending in a generally easterly direction from a point near Santa Susana Pass along the northern corporate limits of Los Angeles to the eastern corporate limits of Burbank, Calif., thence along the eastern corporate limits of Burbank to the northern corporate limits of Glendale, Calif., and thence along the northern corporate limits of Glendale and Pasadena, Calif., to the northeastern corner of Pasadena; west of a line extending in a generally southerly and southwesterly direction from the northeastern corner of Pasadena along the eastern and a portion of the southern corporate limits of Pasadena to the eastern corporate limits of San Marino, Calif., thence along the eastern corporate limits of San Marino and the eastern and a portion of the southern corporate limits of Alhambra, Calif., to the western corporate limits of Monterey, Calif., thence along the western corporate limits of Monterey and the western corporate limits of Montebello, Calif., to the Rio Hondo, and thence along the Rio Hondo and the Los Angeles River to the northern corporate limits of Long Beach; and north of a line extending in a generally westerly direction from the Los Angeles River along the northern corporate limits of Long Beach and the southern and a portion of the western corporate limits of Compton to Olive Street, thence along Olive, Main, Walnut, and 182nd Streets to the eastern corporate limits of Torrance, thence along a portion of the eastern and the northwestern corporate limits of Torrance to Redondo Beach Boulevard, and thence along Redondo Beach Boulevard to Inglewood Avenue.

It is further ordered, That for the purpose of administration and enforcement of the Motor Carrier Act, 1935, the zone adjacent to and commercially a part of the San Pedro, Wilmington, and Terminal Island districts of Los Angeles and Long Beach, in which transportation by motor vehicle in interstate or foreign commerce not under a common control, management, or arrangement for a continuous carriage or shipment to or from a point beyond the zone, will be partially exempt from regulation under section 203 (b) (8) of the act, be, and it is hereby, defined to include the area east of a line extending in a generally northerly and northwesterly direction from the Pacific Ocean along the western corporate limits of Los Angeles to 258th Street, thence along 258th Street to the eastern corporate limits of Torrance, and thence along a portion of the eastern, and along the southern and western corporate limits of Torrance to the northwestern corner of Torrance; south of a line extending in a generally easterly direction from the northwestern corner of Torrance along the northwestern and a portion of the eastern corporate limits of Torrance to 182nd Street, thence along 182nd, Walnut, Main, and Olive Streets to the western corporate limits of Compton, and thence along a portion of the western and along the southern corporate limits of Compton and the northern corporate limits of Long Beach to the northeastern corner of Long Beach; west of the eastern corporate limits of Long Beach; and north of the southern corporate limits of Long Beach and Los Angeles.

And it is further ordered, That this order shall become effective December 20, 1937, and shall continue in effect until further order of the Commission.

By the Commission, division 5.

[SEAL] W. P. BARTEL, *Secretary.*

[F. D. Doc. 37-3350; Filed, November 17, 1937; 12:14 p. m.]

RURAL ELECTRIFICATION ADMINISTRATION.

[Administrative Order No. 160]

ALLOCATION OF FUNDS FOR LOANS

NOVEMBER 11, 1937.

By virtue of the authority vested in me by the provisions of Section 4 of the Rural Electrification Act of 1936, I hereby allocate, from the sums authorized by said Act, funds for loans for the projects and in the amounts as set forth in the following schedule:

Project designation:	*Amount*
Illinois 8004BW Peoria	$10,000
Iowa 8034W Jones	15,000
Iowa 8033W Calhoun Iowa 8033BW Calhoun	6,000
Nebraska 8005W Adams	20,000
Oklahoma 8012B Alfalfa	90,000
Wisconsin 8021W Taylor	10,000
Wisconsin 8037W Trempeleau	15,000

I hereby amend Administrative Order No. 40[1] by transferring $180,000 allocated to Oklahoma 11 Grant to Oklahoma 2B Kay.

JOHN M. CARMODY, *Administrator.*

[F. R. Doc. 37-3343; Filed, November 17, 1937; 9:37 a. m.]

SECURITIES AND EXCHANGE COMMISSION.

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission held at its office in the City of Washington, D. C., on the 15th day of November, A. D. 1937.

[File No. 47-10]

IN THE MATTER OF HUGH M. MORRIS AND HAROLD S. SCHUTT, TRUSTEES OF PEOPLES LIGHT AND POWER CORPORATION

ORDER CONSENTING TO WITHDRAWAL OF APPLICATION FILED PURSUANT TO SECTION 10 (A) (2) OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1925

Hugh M. Morris and Harold S. Schutt, as Trustees of Peoples Light and Power Corporation (the said trustees being a registered holding company), having filed an application pursuant to Section 10 (a) (2) of the Public Utility Holding Company Act of 1935 with respect to the acquisition by said Trustees, in connection with a plan of reorganization of said corporation, dated June 1, 1936, of certain assets of Texas Public Service Company and its subsidiary, Texas Public Service Production Corporation; and

Said applicant thereafter having requested the withdrawal of said application;

The Commission, having due regard for the public interest and the interest of investors and consumers, upon request of the applicant, consents to the withdrawal of the above application and to that effect

It is so ordered.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 37-3353; Filed, November 17, 1937; 12:32 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 15th day of November, A. D. 1937.

ORDER PERMITTING DECLARATIONS TO BECOME EFFECTIVE PURSUANT TO SECTION 7 OF THE PUBLIC UTILITY HOLDING COMPANY ACT OF 1935 AND APPROVING ACQUISITIONS OF SECURITIES PURSUANT TO SECTION 10 OF SAID ACT AND RULE 12C-1

In the Matters of Peoples Light and Power Company (File Nos. 43-45, 46-47), Voting Trustees for the Class A Common Stock of Peoples Light and Power Company (File Nos. 43-46, 46-46), Hugh M. Morris and Harold S. Schutt, Trustees of Peoples Light and Power Corporation (File No. 46-49), Mississippi Public Service Company (File Nos. 43-50, 44-2), Texas Public Service Company (File Nos. 43-52, 44-3), West Coast Power Company (File Nos. 43-53, 44-1), Kansas Public Service Company (File Nos. 43-54, 44-4), California Public Service Company (File Nos. 43-55, 44-6), Western States Utilities

[1] 1 F. R. 2116.

Company (File Nos. 43–57, 44–7), Iowa Water Service Company (File No. 44–5), Joint Application of Texas Public Service Company and Texas Public Service Farm Company (File No. 46–50), Joint Application of Iowa Water Service Company, Kansas Public Service Company, and West Coast Power Company (File No. 46–51).

Joint hearings having been held[1] on the declarations and applications, as amended, relating to the reorganization of Peoples Light and Power Corporation and its subsidiaries and filed with this Commission in the above-entitled proceedings; the Commission having heard argument and duly considered the record in this matter and having filed its findings herein;

It is ordered, That said declarations, as amended, be and become effective forthwith and that said applications, as amended, be and they hereby are granted; upon condition, however, that the issue and sale of the securities covered by said declarations and the acquisitions of securities covered by said applications be effected in substantial compliance with the terms and conditions of and for the purposes represented by said declarations and applications, as amended.

By the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 37–3351; Filed, November 17, 1937; 12: 32 p. m.]

United States of America—Before the Securities and Exchange Commission

At a regular session of the Securities and Exchange Commission, held at its office in the City of Washington, D. C., on the 16th day of November, A. D., 1937.

[1] 2 F. R. 1725 (DI).

[File No. 2–3245]

IN THE MATTER OF VIRGINIA CITY GOLD MINING COMPANY

STOP ORDER

This matter coming on to be heard by the Commission on the registration statement of registrant Virginia City Gold Mining Company, a Washington corporation, after confirmed telegraphic notice by the Commission to said registrant that it appears that said registration statement includes untrue statements of material facts and omits to state material facts required to be stated therein and omits to state material facts necessary to make the statements therein not misleading, and upon evidence received upon the allegations made in the notice of hearing duly served by the Commission on said registrant, and the Commission having duly considered the matter, and finding that said registration statement includes untrue statements of material facts and omits to state material facts required to be stated therein and material facts necessary to make the statements therein not misleading in Items 3, 19, 20, 34, 46, 54, 55, Exhibits E and G, and the prospectus, all as more fully set forth in the Commission's Findings of Fact and Opinion this day issued, and the Commission being now fully advised in the premises,

It is ordered, Pursuant to Section 8 (d) of the Securities Act of 1933, as amended, that the effectiveness of the registration statement filed by Virginia City Gold Mining Company, a Washington corporation, be and the same hereby is suspended.

By direction of the Commission.

[SEAL] FRANCIS P. BRASSOR, *Secretary.*

[F. R. Doc. 37–3352; Filed, November 17, 1937; 12:32 p. m.]